

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 17, 2001

LB 172

that. There have been suggestions that Congress could resolve the issue by modifying the rules concerning nexus, that's a legal term that I can discuss, if you wish, but that's the basis for the commerce clause issues and discussion in the Supreme Court. Congress has never seen fit to do that. So, within the last three...two years, three years really, there has been an effort by the states to begin addressing the issue. The issue has come up for the states through the National Governor's Association and through NCSL, primarily. And there are, in fact, now two slightly different proposals that are being considered and adopted in a wide number of states across the nation to begin dealing with the issue. The proposal that you have before you is the one that grew out of the National Governor's Conference and is generally referred to as the streamlined tax project proposal. It is the result of consultations among the governors and primarily their tax commissioners and/or tax departments. It proposes to address the issues of complexity and the burden of meeting and properly collecting tax in three different ways. And what it does is set up a framework for the state to enter into an agreement to accomplish those purposes. This is not the agreement itself, and I want to emphasize that. This is simply authorization for the Governor to enter into an agreement with a set of specified parameters on what the agreement has to contain. Now the agreement can seek to resolve the complexity issue that I've described in three different ways and they are optional on the part of the sellers as to which one they would choose. You can have something called a certified service provider, and in that instance the sellers, if they select that option, would not be subject to audit. They actually contract with another third party, and that is someone who has been certified by the states to perform the sellers sales tax collection functions. In other words, you contract with somebody that the state has confidence in to carry out your sales tax collection functions and that is then certified by the states. And if there is any...

SPEAKER KRISTENSEN: One minute.

SENATOR WICKERSHAM: ...accountability, it is on the part of that certified service provider removing from the sellers two different burdens--one, the burden of audit compliance; and